

13
REPORT

OF THE

Special Committee on Coal

TO THE

TRUSTEES

OF THE

PHILADELPHIA GAS WORKS.

NOVEMBER 29, 1864.

PHILADELPHIA:

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REPORT.

To the Members of the Committee on Gas
of Select and Common Councils.

GENTLEMEN :—At the stated meeting of the Board of Trustees of the Philadelphia Gas Works, held December 9th, the following protest (if it may be so called,) was presented to the Board from your Committee, and was referred by them to the Special Committee on Coal.

WHEREAS, The Committee on Gas have learned that it is proposed by the Trustees of the Philadelphia Gas Works to make a contract for coal, the deliveries of which will not commence until July, 1865, (after the contracts for the present current year are filled,) and *Whereas*, The proposed contract is intended to be made without inviting competition by advertising or otherwise, and *Whereas*, It is brought to the knowledge of this Committee that several mines on the line of the Pennsylvania Central Railroad are now being opened and developed by responsible parties ; therefore it is

Resolved, by the Committee on Gas, That they respectfully recommend to the Trustees of the Philadelphia Gas Works, not to consummate the contract as proposed ; that should it be deemed to the advantage of the Trust to make a contract so far in advance of the time of delivery, it would be proper to advertise the same,

so that competition may be had, and justice done to those who are now developing the coal resources of our State.

SIGNED,

SAMUEL J. CRESWELL, *Ch'n Gas Committee.*

JOHN ECKSTEIN.

H. C. ORAM,

GEO. F. OMERLY,

R. H. GRATZ,

WM. M. UHLER,

JAMES G. PEALE.

The Members of the Special Committee of the Board of Trustees deeply regret that such a remonstrance was ever presented; the members of the Committee on Gas signing it could not from the informal manner in which it was prepared have that information that would have justified them in signing such a paper upon the most important question ever presented to the Board, and upon the proper settlement of which depends the successful administration of its future affairs.

From the decisions of the Supreme Court and the different municipal legislative enactments, it must be apparent to all that the Gas Works is not a department of the City of Philadelphia within the meaning of the Act of Consolidation, and therefore independent of the absolute control of Councils, but the cordial feeling that has existed between the Gas Committee and the Board of Trustees, and the entire confidence shown in the present Board by the body you represent, by the passage of the million loan Bill, and other important enactments have determined us to present to you what we are sure will be received as a satisfactory explanation of the action of the Board at its last stated meeting. We therefore present to you the report of our Special Committee, and ask for it your attentive and careful perusal.

To the President and Members

of the Board of Trustees of the Philadelphia Gas Works.

At a meeting of the Board held September 23d, the following communications were presented by the Chief Engineer from Thos. R. Brown, Clerk of the Works, and Edward C. Biddle, President of Westmoreland Coal Company :

OFFICE PHILADELPHIA GAS WORKS,

September 22, 1864.

THOMAS S. STEWART, ESQ.,

Chief Engineer,

DEAR SIR :—Agreeably to your request, I herewith transmit the following statement of the deliveries of coal from the Westmoreland and Penn Coal Companies, under contract with the Trust :—

The Westmoreland Company were short in their deliveries on the 1st inst., 3,276 tons. I notified Mr. Jackson, the Secretary of the Company, personally of the fact, and he assured me that they were making arrangements to give us larger quantities : especially at the First Ward Works : since that time up to the 17th inst., we received at the Ninth Ward Works 821 tons, and at the First Ward Works none. On the 21st, I wrote them as follows :—

“EDWARD C. BIDDLE, ESQ.,

President of Westmoreland Coal Company.

DEAR SIR :—Shortly after the 1st inst., I personally notified your Mr. Jackson, that you were short of your deliveries of coal under contract with this Trust up to the 1st inst., 3,276 tons. He assured me that you were making arrangements to deliver us more coal, especially at the Works in the First Ward. Since that time we have received up to the 17th inst., 821 tons ; and only four cars to the First Ward Works, they being sent yesterday. According to our account (with your deliveries, the

latter half of the month, being in the same proportion as the former half,) you will be short on the first of October about 5,600 tons.

By giving your personal attention to this matter, you will oblige

Yours, very respectfully,

THOMAS R. BROWN,

Chief Clerk of Works."

I have ascertained that they brought down last week about 1,524,000 pounds, of which they gave us 473,000 pounds, less than one-third; the balance was shipped to other parties.

The Penn Company were short on the 1st inst., 113 tons; since that time up to the 17th inst., we have received from them 1,108 tons; if they deliver for the balance of the month in the same proportion, they will be short on the first of October about 2,100 tons.

Yours respectfully,

THOMAS R. BROWN,

Chief Clerk of Works.

OFFICE OF THE WESTMORELAND COAL COMPANY,

No. 230 South Third Street, cor. of Willing's Alley.

Philadelphia, September 22, 1864.

THOMAS R. BROWN, ESQ.,

Chief Clerk Philadelphia Gas Works.

DEAR SIR:—I am in receipt of your favor of 21st inst., calling my attention to our deficiency in deliveries of Coal on our contract with you.

This has been caused by the difficulties with our miners and the inability of the Pennsylvania Railroad Company to transport the Coal,—both causes named in our Contract are those that

might occur. Our empty cars have remained on the sidings at Columbia and our loaded cars at the mines, from inability of the Railroad Company to move them, caused by a large number of their engineers enlisting in the army.

We lost from the same circumstance, upwards of fifty men from our mines.

These difficulties are gradually being overcome,—we hope soon to deliver you largely of our coal.

Rest assured that every effort in my power will be used to make good our contract.

Yours, very respectfully,
EDWARD C. BIDDLE,
President.

The following Resolution was offered by Chas. L. Wolff and adopted:

Resolved, That the communications of the Chief Clerk of the Works and the President of the Westmoreland Coal Company be referred to a Committee of three, to confer with the Westmoreland Coal Company, and to take into consideration the subject of a certain and abundant supply of coal to provide against all contingencies.

The Chair appointed Messrs. Wolff, Houseman and Ludlow said Committee.

The Special Committee thus appointed, desire to report that they have attended to the duty assigned them, and submit the following correspondence with the Westmoreland Coal Company:

PHILADELPHIA GAS OFFICE,
September 27, 1864.

EDWARD C. BIDDLE,

President of Westmoreland Coal Company.

DEAR SIR:—Your communication of September 22d, to Thomas R. Brown, Chief Clerk of Gas Works, who wrote to

you in regard to your deficiency in deliveries of coal to the Works, was referred by the Board of Trustees, at a meeting held September 23d, to a Special Committee, to confer with you in regard to your communication.

The purpose of the Chief Engineer of the Gas Works in arranging the deliveries from the several Coal Companies, is to make it convenient for the Companies and the Works, for the delivery and the reception of the Coal,—the last arrangement was made to suit you, and was altered from the original plan to suit your Company, and at your request.

We understand the contract to mean, that if you fail to deliver to the Gas Works during the months of July and August, 3,000 tons each month, that we have the right to purchase elsewhere, and charge the difference to you; and to satisfy you of this we quote the words of the contract:

“Should the party of the first part fail to deliver the coals as early as required, the party of the second part reserves the right to purchase elsewhere, (upon such terms as he may be able,) and charge any loss arising from such failure to the said party of the first part.”

This obligation is binding, except in two cases. We again quote the words of the contract:

“*Provided*, That the Pennsylvania Railroad Company is able at such time to transport over their road the cars and coal of the party of the first part; and also *Provided*, That the party of the first part should not be prevented complying herewith in consequence of a strike for higher wages upon the part of their miners.”

In order that we shall be satisfied that such contingencies have occurred, we desire you to give us from your books a weekly statement of the whole amount of coal that arrived in Philadelphia from the 1st of July, belonging to your Company.

Also, whether you have not made a contract within a short time with the Baltimore Company, to deliver them coal, and if not within a short time, when was it made?

We now desire to say that we intend to insist upon the strict fulfilment of the terms of the contract—that when we said that we required 3,000 tons in August and 4,000 in December, we did not intend that 7,000 should be delivered in December, thereby inconveniencing the Works, and exposing ourselves, in case of accident, to the censure of the community.

Awaiting your clear and explicit answer to the questions proposed, we remain yours,

Very respectfully,
(Signed,) CHARLES L. WOLFF,
On behalf of Special Committee.

OFFICE OF THE WESTMORELAND COAL COMPANY,
No. 230 South Third street, corner of Willing's Alley,
Philadelphia, September 30, 1864.

MESSRS. CHARLES L. WOLFF, RICHARD LUDLOW, AND JOHN A.
HOUSEMAN,

Special Committee of Trustees,
Philadelphia Gas Works.

GENTLEMEN:—I am in receipt of your communication of the 27th inst.

Your Committee were well aware, at the time our contract was made with you, that we had existing contracts for the shipment of coal to other parties, as binding on us as your own.

As neither the terms of the contract, nor mercantile usage, requires us to give you a statement from our books of the course of business of the Company, I necessarily decline to do so.

I think, however, that it is proper for me to give you the following information:

First. That since this Company entered into the contract with you, we have uniformly refused to accept orders for our coal, except upon the condition that sufficient transportation would be furnished us by the Pennsylvania Railroad Company.

This was in order that no subsequent orders might interfere with the proper deliveries to your works.

Second. That this Company has not this year sold any coal to the Baltimore Gas Company.

Third. That the only causes of our not having delivered coal to your Works strictly according to the contract, were either impossibility of obtaining laborers at the mines, or of obtaining transportation from the Pennsylvania Railroad Company.

In conclusion, it will give me pleasure to meet you in conference, as proposed by the resolution of the Trustees.

Yours, very respectfully,
EDWARD C. BIDDLE,
President.

This answer was deemed unsatisfactory by the Committee, for two reasons:

First. In withholding the only information that could have satisfied this Board, that they had properly fulfilled the terms of the contract; whether mercantile usage required it or not; the kind manner in which this Board has acted toward this Company would have justified a violation of what may be the usual course of business.

It is patent to every member of this Board that the Westmoreland Coal Company have been, and are even at this late period of the season, shipping immense quantities of coal, when their deliveries are far behind to the Works; and, according to the statement of the Engineer, we having but thirty days' supply on hand.

The late Engineer, Mr. John C. Cresson, in their last contract, was forced to call in the legal aid of the City Solicitor, in order to compel this Company to give a portion of their contract when large shipments were being made, as they are now at West Philadelphia, to foreign companies, and even with this, it

will be recollected that, upon the retirement of Mr. Cresson from office, the Point Breeze Works had but a few days' supply of coal on hand, with a large contract then pending with this Company.

Secondly. In answering the other question asked, untruly.

The Committee have the testimony of Columbus O'Donnell, President of the Baltimore Gas Company, who stated to the Registrar of our Board, that they had purchased coal from the Westmoreland Coal Company, not under a contract, but in the usual way.

As to the third answer volunteered by them, "That the only causes of our not having delivered coal to your Works strictly according to the terms of the contract were either impossibility of obtaining laborers at the mines, or obtaining transportation from the Pennsylvania Railroad Company."

If any evidence is wanting that this answer is not a fair one, (a very mild term to use in this connection,) it will be found in the fact that the Penn Gas Coal Company, with mines not one-half mile distant from the Westmoreland, and likely to be affected by the same causes, with less than half the facilities for mining and transportation, are nearly up to the contract.

It is a fair presumption, with this state of facts before us, that this Company did not intend to fill the contract when they took it; they use the Philadelphia Gas works as a convenience; they give to us what they have not the means of shipping elsewhere, and when navigation closes, the Trust is forced to receive coal in one month that should have been delivered in the three previous months, at considerable disadvantage to itself.

The Committee desire to state in regard to the deficiency of deliveries, that on the 1st of August, 3,000 Tons were due the Works, 1st of September, 3,276, 1st of October, 4,908, 1st of November, 5,159 Tons, from the Westmoreland Coal Company.

The first part of the Resolution being disposed of by the correspondence with the Westmoreland Coal Company, the second part, to provide a certain and abundant supply of Coal, to provide against all contingencies, was taken up.

The Committee were divided in the opinion as to the propriety of a purchase of Coal Lands, to relieve ourselves from the embarrassment, the difficulty of managing a work economically at so great a distance, being the main objection.

A communication presented to the Board at the last stated meeting in June, and never acted on, seemed to be the only resource. The following is the communication ;

OFFICE OF HAYS AND COMPANY.

Pittsburgh, Pennsylvania, June 27, 1864.

To the Trustees of the Philadelphia Gas Works.

GENTLEMEN:—We will agree to furnish you with twenty thousand tons of 2,000 lbs. each, good Gas coal from Westmoreland County, delivered as nearly as possible, one thousand Tons per month at the Gas Works, Ninth Ward Station, in Philadelphia, for eight dollars and fifty cents per ton of 2,000 pounds, with the addition for delivery at the First Ward Works, of such charge as the Pennsylvania Railway Company may make for transportation from West Philadelphia to said Works.

With the proviso that if any additional charge is made by the Pennsylvania Railway Company, for the transportation of said Coal from our mines over that now paid them, (viz: \$4 75 per 2,000 lbs,) or if any advance may occur over the present cost of mining coal, such advance in cost of transportation or mining shall be added to the price above named, and be paid by you.

If from any cause the Pennsylvania Railway Company are unable to transport our Cars and Coal over their Road, then the obligation on our part to fulfill this contract shall cease, until such transportation of our Coal from the mines can be resumed.

The payments to be made in the same way as to other parties supplying you.

We would have been bidders for the contract advertised for, but the prevailing impression in the West is, that no one except the Penn and Westmoreland Coal Companies could obtain a contract from your Company. We need scarcely to say to

you, that the fostering of competition must eventually lead to a reduction in the price.

In case we should receive the contract, we propose to build new cars and become bidders in future, for a larger portion of your contracts.

We have shipped to your Chief Engineer, Thomas S. Stewart, Esq., for a test, ten tons.

We have had our Coal tested at Reading, and it produced $5\frac{15}{100}$ cubic feet to the pound of Coal.

As security for the fulfilment of this contract, we offer our firm, which is worth between three and four million dollars.

Hoping to have a favourable answer at an early day, we remain,

Yours, Truly,

HAYS & Co.

The following letter was addressed to William B. Hays & Co., by the Committee.

PHILADELPHIA GAS WORKS,

November 9th, 1864.

W. B. HAYS & Co.

GENTLEMEN:—You sent a communication to the Board of Trustees of Philadelphia Gas Works, dated June 27, proposing to furnish 20,000 Tons of Coal at the same price and on the same terms now paid to the Westmoreland and Penn Coal Companies.

As some time has elapsed since the reception of the communication, and we having thus far failed to act, we now desire to know whether you would be willing to furnish that or a larger quantity, upon what terms, and at what stated periods of time you could commence deliveries.

In conclusion, we desire to assure you that it is the desire of

the present Board of Trustees to foster all the competition possible in the furnishing of a supply of coal to our Works, for the simple reason that it is manifestly our interest to do so: if any such opinion prevails in the West, as stated in your communication, it is entirely erroneous.

As we are now ready to act in this matter your early answer is respectfully solicited.

Respectfully Yours,

CHARLES L. WOLFF,
JOHN A. HOUSEMAN,

Special Committee of Board of Trustees.

Pittsburgh, November 17th, 1864.

MESSRS CHARLES WOLFF & JOHN A. HOUSEMAN,
Committee of Philadelphia Gas Company.

GENTLEMEN:—Your communication was received some days ago, but I delayed answering until I could make a distinct proposition.

Since the proposition was sent your Company, the works at Shafton, that were opened, have been sold, but it has ever been my wish, to fill a contract in your City for your Company, but the necessary transportation has always been the trouble. The Pennsylvania Railroad Company not being able to furnish the cars.

I therefore make you the following proposition, the only one now in my power, but as your Company has already large contracts now made. it may be no impediment to you to accept it.

I propose to furnish to the Philadelphia Gas Works, Forty thousand tons, (40,000,) 2,240 pound of Westmoreland Coal, of the same quality as that furnished to your Engineer for test, on the terms stated in my communication made to your Company. Deliveries to commence within six months from this date: and

to be all delivered within the space of one year. The amount to be delivered monthly, to be decided upon at the commencement of the delivery of the Coal, to suit your Company.

If this proposal is accepted, I will proceed at once to contract for the building of the necessary cars, and it shall be my pride to show you that some other parties can furnish you coal other than the two Companies that now have the exclusive monopoly of the contract.

I need scarcely tell you what the effect of the acceptance of this proposition will be here in the West. It cannot but result most advantageously to your Company.

I will be in your City in a week or so, and will call at your Office. Trusting to receive a favorable answer at that time,

I am,

Very respectfully,

W. B. HAYS.

As to the value of the Coals proposed to be furnished by Hays for Gas-making purposes, the following tests, obtained from the books of the Works, will settle beyond a question.

“COAL FROM WM. B. HAYS & Co.,”

Coal carbonized,	-	-	-	10,300 lbs.
Gas made,	-	-	-	52,395 feet.
Coke made,	-	-	-	154½ bushels.
do do 44½ lbs. to bushel.	-			6,875 lbs.
Coke used,	-	-	-	352 bushels.
Lime used.	-	-	-	4 bushels.
Liquor made,	-	-	-	62 gallons.
Average make per pound,	-	-		5.08 cubic feet.

This test made under the administration of Thos. S. Stewart, Chief Engineer.

In order to show the difference by comparison, we now submit a test of the Westmoreland and McLaughlin (now mined by the

Penn Company,) and made under the administration of John C. Cresson, late Chief Engineer, also obtained from the books of the Works.

WESTMORELAND, McLAUGHLIN.

	Weight of charge.	Cubic feet of Gas made.	Bushels of Coke made.	Cubic feet to the lb.
1.	31,900 lbs.	140,000	504	$4\frac{39}{100}$
2.	32,400 "	144,000	513	$4\frac{44}{100}$
5.	39,000 "	165,000	617	$4\frac{23}{100}$
6.	39,300 "	180,000	600	$4\frac{58}{100}$
7.	39,600 "	182,000	626	$4\frac{59}{100}$

The difference of the relative value of these coals for gas making purposes, may be now plainly perceptible, the greatest and most striking difference being in the yield of Gas, taking the average of the 5 tests of the Westmoreland, we find an average product of $4\frac{13}{100}$ cubic feet to the pound of coal, that of Hays being $5\frac{8}{100}$ cubic feet, taking the yield of the Westmoreland at $4\frac{1}{2}$, being $\frac{8}{100}$ more than its actual production, and Hays at 5 cubic feet being $\frac{8}{100}$ less than its actual yield, we find that in carbonizing 80,000 tons of coal, being the entire amount contracted for this year, the following would be the result.

HAYS & Co.

80,000 tons 2,240 lbs. 179,200,000 lbs. at 5
cubic feet to the lb. would be - - - 896,000,000

WESTMORELAND.

80,000 tons 2,240 lbs. 179,200,000 lbs. at $4\frac{1}{2}$
cubic feet to the lb. would be - - - 806,400,000

Being a difference of - - - 89,600,000

the value of which difference estimated at the present selling

price of Gas, at \$3,00 per thousand would be \$268,800: starting as this difference may appear it is unquestionably correct and does not stop here: the yield of coke is largely in favor of Hays' coal, and the quality of the light produced, tested by the Photometer by the Assistant Engineer was 14 candles, that of the Westmoreland being $12\frac{1}{2}$ candles.

The Board will recollect that in carbonizing these coals, not one dollar is added to the actual cost of the Gas, the difference in the product of 89,600,000 cubic feet being entirely clear net gain, and taking it as strictly correct, would be a saving of $\frac{1}{10}$ of all the means required for the manufacture of the Gas, Labor, Retorts, and many other expenses that are already too familiar to the members of this Board from the repeated applications for advance in price to require any necessity for being mentioned in this connection.

It is clearly impossible for any individual or Company to transport coal to Philadelphia over the Pennsylvania Railroad, without owning their own cars: this has been manifest for some time; so important was this deemed, and so doubtful as to a supply as early as 1861, that the Board of Trustees on the 13th day of May, of that year held a special meeting on the subject. The following is an extract from the minutes.

“MONDAY, MAY 13TH, 1861.”

Present: Messrs. Fraley, Field, Grove, Hirst, Manuel, Reilly, Rubicam, Wood, and Trotter, President.

Messrs. Bell and Graeff, absent on military duty. A special meeting was held at 4 o'clock P. M. The President stated that he had called the meeting in consequence of having received a telegraphic dispatch from the Engineer, on last Friday evening, stating that he had an important question about coal to lay before the Board, and as the hour mentioned in the dispatch was later than the members could remain, he thought it best to convene the meeting to-day.

The Engineer stated that he had communicated to the contractors for the supply of coal, the resolution extending the con-

tracts for a period of one year, and in a few days after, received advice from them, that upon their applying to the Officers of the Pennsylvania Railroad Company for the renewal of the contracts for carrying the coal, they found there was reason to fear that some embarrassment might arise from the want of a sufficient number of cars, and that they had come to the conclusion, that in order to insure a full supply, it might be necessary for them to purchase and own sufficient cars for the transportation of their coal, and that they were willing to do it, if they were secured in the contract for three years.

When Mr. Fraley offered the following resolution which was adopted :

Resolved, That the Engineer be authorized to contract with the Westmoreland and Penn Gas Coal Companies for fifty thousand tons of coal per annum, for the term of three years. at the prices now paid for coal supplied by said Companies; with Mrs. McLaughlin, at the same price and for the same time for a quantity not less than ten thousand tons, nor more than twenty thousand tons per annum."

The Committee in the Resolution attached to this Report, ask the Board to do for Mr. Hays for one year, what the Board by a unanimous vote done in 1861 for two wealthy corporations for three years.

The Committee in concluding the report desire to impress upon the Board the necessity of fostering competition in the delivery of a supply of coal to the works; the two Companies now supplying the works, being one in spirit and in every bid thus far made since the Penn Company was started, showing a mutual positive understanding between them.

It is to be hoped that this report and resolution attached, will be adopted without a dissenting voice; it has been the aim of the Committee to produce such a result, and we trust that our efforts may be crowned with success.

(Signed,)

CHARLES L. WOLFE,	} <i>Committee.</i>
JOHN A. HOUSEMAN,	

Resolved, That the Chief Engineer, under the direction of the Special Committee on Coal, be directed to contract with Wm. B. Hays for 30,000 tons of coal on the terms named in this communication; to be expressly understood in the terms of the contract that if any reduction should occur in the price of transportation named, \$4.75 per ton of 2,000 lbs., the trust to have all the benefit of said reduction: the coal to be furnished to be equal to the sample furnished to the Chief Engineer for test; and W. B. Hays to build the requisite number of cars to carry the coal to market.

On agreeing to the Resolution,

YEAS—Messrs. Burnell, Jones, Manuel, Houseman, McCarthy, Wolff, and Miskey, President.

NAYS—Messrs. Graeff, Grove, Hirst, Ludlow and Trotter.

We now desire to say that at the meeting of the Board of Trustees after a full discussion lasting for several hours, not one word of this report was successfully disputed, these two Companies have not for years faithfully fulfilled their contracts, if ever; the contract alluded to in an extract from the minutes of the meeting held July 24th, 1863, both Companies through their respective Presidents threatened to refuse to fill the contract unless the price named at that time was advanced, and an addition was then made, which amounted in the aggregate to over fifty thousand dollars; we append the communication made at that time to the Board by the Penn and Westmoreland Gas Coal Companies.

OFFICE OF THE PENN GAS COAL COMPANY,

136 South Third Street,

Philadelphia, July 24th, 1863.

To the Trustees of the Philadelphia Gas Works,

GENTLEMEN:—We addressed to your Board a communication on the 26th of June last, stating that the Pennsylvania Railroad Company had notified us that the tolls on coal from our mines to Philadelphia would be advanced not less than sixty cents per net ton, from July 1st. Since that time the Pennsylvania Rail-

road Company fixed the rate at \$4.75 per ton of 2,000 pounds to West Philadelphia, which is an advance of sixty-five cents per ton over the rate charged previous to 1st instant; and our coal since that date is manifested at \$4.75.

We have endeavored to get a reduction of tolls, but the Company have determined to adhere to the \$4.75 per ton. They state that if we pay the freight in gold, they will not advance it. Under these circumstances, we respectfully ask your Board to advance our contract price from \$5.10 per ton to \$6.25 per ton (2,000 pounds), from the 1st inst., or to pay us in gold, which was the only legal tender when our contract with your Board was made. Unless we have relief, we will be forced to stop our shipments to you at once; and respectfully ask your decision to-day.

Respectfully,

(Signed,)

R. H. GRATZ,

President Penn Gas Coal Company.

EDW'D C. BIDDLE,

President Westmoreland Coal Company,

How they acted in filling their contract in the year 1862 will be seen by the following extract from the report of the Engineer, John C. Cresson, Esq., to the Board in 1863, to be found on page 18:

“Much inconvenience and expense, as well as apprehension of more serious results, have arisen from the failure in the delivery of the supplies of coals in accordance with the stipulations of our contracts. The failure is attributed by the contractors to the crowding of the railroads by the military operations of the Government.

“Notice was given to the contractors of the deficiencies in the monthly deliveries as they occurred; and, after repeated disappointments of the expectations founded on promises of increased facilities for transportation from the mines, orders were given for the purchase of several thousand tons of foreign coals in New York. By these purchases a supply was obtained of

coals of various kinds in sufficient quantity to avert the impending danger of the stoppage of the Works.

“Judging from the present aspect of the domestic coal trade, it will probably be necessary to make arrangements seasonably to procure a part of the regular supply of coals from abroad, until such time as the completion of new lines of internal improvement shall enlarge the domestic field of supply of gas-making coals. By making proper arrangements at an early season, it is probable that the requisite supply can be obtained at much lower cost than was paid for the coals recently bought under the pressure of extreme necessity.”

The Board have appointed a committee, consisting of John McCarthy and Charles Thompson Jones, and the President, to confer with the City Solicitor as to the propriety of commencing action against these two Companies for losses arising from the purchase of inferior coals and the difference paid, (the price in New York was considerably higher,) amounting to several thousand dollars.

See the annexed Resolution.

Resolved, That a committee of two members of the Board be appointed, in conjunction with the President, to consult with the City Solicitor as to the propriety and expediency of commencing suit against the Penn and Westmoreland Coal Companies, for the difference in price paid by the Trust for coal purchased for its use, through Messrs. Welsh and other parties, during the years eighteen hundred and sixty-two and sixty-three, in consequence of the failure of the Penn and Westmoreland Coal Companies to comply with their contracts with the Trust, and if deemed expedient, the committee is authorized to employ additional counsel.

The Works at present are entirely dependent upon the Penn and Westmoreland Coal Companies for a supply at their own prices and upon their own terms. Foreign coals, by the rate of exchange and other matters connected with the present state of the country, are entirely out of the question; besides

this, the danger of spontaneous combustion from the storage of large quantities, and their admitted inferiority to our own Pennsylvania coals, would make their use at this time, when it is desirable to furnish gas at the lowest possible price, a very great mistake.

The policy of every Gas Company has been to have constantly on hand a large stock of coal to provide against contingencies. This we have been totally unable to do, from the action of the two Coal Companies. They seem determined neither to give us the coal themselves, nor allow any other company to do it. So onerous has this become, that, at the stated meeting of the Board, held November 29th, the following resolution was presented by Mr. Hirst:

Resolved, That the City Solicitor be requested to compel the Penn and Westmoreland Coal Companies to fulfill their contracts with the Trust for the delivery of coal.

The policy of these Companies has been to keep the Works entirely at their mercy; and it is deeply to be regretted that the Gas Committee have lent their official influence to them to still continue the present state of affairs.

Your Committee have evidently mistaken the purpose in making this contract. This has no connection with the regular contract, proposals for which will be made by public advertisement, bids will be opened, and the awards made at the proper time, as will be seen from the following resolution passed at the last stated meeting of the Board:

Resolved, That the Chief Engineer be directed to advertise in at least three daily newspapers of this city, and in one daily Pittsburg newspaper, to supply the Works with 100,000 tons for the ensuing year, upon such terms and conditions as he shall deem proper. The proposals to be opened at the second stated meeting in March next.

The usual course of business in the Gas Works has been not

to advertise for proposals for materials to be furnished, the mechanical skill required, and the quality of the article to be furnished, being of the first importance in the manufacture of retorts, &c. These proposals have been issued only to workmen of known skill, and in a private manner.

In regard to the contract for three years given to the Penn and Westmoreland Coal Companies, about which so much has been said, involving the expenditure of a million dollars, this was made without any public notice whatever. The following extract from the minutes may be found in Minute Book, No. 4, page 199 :

“The Engineer called the attention of the Board to the contracts for the supply of coal for the ensuing year, when Mr. Hirst moved that the Engineer be authorized to continue the contract for the supply of coal for the ensuing year with the present contractors from the Pennsylvania mines.”

Which was agreed to.

If the members of the Gas Committee will connect this with the action of the Board at its special meeting, held May 13th, 1861, the extract of which will be found in the report of this Special Committee, it will give them a complete history of the making of this contract. Now we ask the members of the Gas Committee, in all sincerity, whether Mr. Hirst, an old member of the Board, formerly City Solicitor, and one of the framers of the Consolidation Act, would have proposed such action at that time, if it had not been right and proper? Whether Mr. Fraley, who was connected with the Board for over twenty years, and who has the reputation of understanding the rights of the Trustees, and the application of the different municipal legislative enactments better than any gentleman who has ever been connected with the Board, would have made the motion to continue it for the space of three years, if we had not the legal right to do so and the motion been a proper one.

We have now finished, and we ask the careful and impartial consideration of the facts presented; and we trust that when the Gas Committee are again asked to unnecessarily interfere with the business of the Board of Trustees they will reflect before doing so.

Very respectfully yours,

CHAS. L. WOLFF,

JOHN A. HOUSEMAN,

Special Committee.